



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **Fourth Individual Charged in Ongoing New York Power Authority Procurement Fraud Investigation**

The Department of Justice, the Internal Revenue Service (IRS) and the New York State Inspector General, which are all conducting a joint federal and state investigation into bid-rigging, fraud and tax-related offenses in the award of contracts at the New York Power Authority (NYPA), announced today that a Westchester County, New York, resident pleaded guilty today to aiding and assisting in the filing of a false tax return.

According to the one-count felony charge filed in the U.S. District Court for the Southern District of New York, in White Plains, New York, John Simonlacaj caused another individual to file a Form 1040 for the tax year 2010 that substantially understated that individual's taxable income. Simonlacaj pleaded guilty to aiding and assisting in the filing of a false tax return, which carries a maximum penalty of three years in prison and a \$250,000 fine.

"Our investigation into bid rigging and fraud by companies supplying the New York Power Authority has uncovered a variety of criminal activity," said Principal Deputy Assistant Attorney General Renata Hesse, head of the Justice Department's Antitrust Division. "Filing a false tax return is a serious offense and we are pleased to have worked with our partners in law enforcement to prosecute the criminal violation."

"We say many times the FBI won't stop until we find everyone responsible for their roles in a criminal investigation," said Assistant Director in Charge Diego Rodriguez of the FBI's New York Field Office. "These charges prove our tenacity in digging until we hit the bottom of the pile and uncover anyone who had a part in criminal wrongdoing."

"Today's plea marks yet another defendant admitting guilt following a bid rigging investigation that began at the state level. My office and those of my federal law enforcement partners, will continue to follow the evidence wherever it may lead," said New York State Inspector General Catherine Leahy Scott.

“Mr. Simonlacaj is now held accountable for his role in filing a false tax return,” said Special Agent in Charge Shantelle P. Kitchen of the IRS Criminal Investigation New York Field Office. “Towards pursuing its goal of ensuring that that everyone pays their fair share of taxes, IRS Criminal Investigation remains committed to this ongoing investigation.”

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